

**STATEMENT OF  
THE AMERICAN FARM BUREAU FEDERATION  
TO THE  
HOUSE AGRICULTURE CONSERVATION, CREDIT, RURAL DEVELOPMENT AND  
RESEARCH SUBCOMMITTEE  
REGARDING  
TECHNICAL ASSISTANCE AND THE IMPLEMENTATION OF THE  
CONSERVATION TITLE OF THE 2002 FARM BILL**

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The American Farm Bureau Federation appreciates the opportunity to testify before the House Agriculture subcommittee on Conservation, Credit, Rural Development and Research.

Technical Assistance Funding

The subcommittee has specifically requested that we address the issue of Natural Resource Conservation Service (NRCS) conservation program technical assistance funding. Farm Bureau is extremely concerned about the ongoing shortfall of technical assistance funding for the Conservation Reserve Program (CRP) and the Wetland Reserve Program (WRP). In FY03, this shortfall will result in a substantial cut in funding for the Environmental Quality Incentive Program (EQIP) and other conservation programs in order to deliver CRP and WRP. This comes at a time when EQIP has a significant application backlog. We believe every program must cover its own technical assistance delivery costs. The Chairman's bill is a good first step in providing guidance. In the case of CRP and WRP, USDA should calculate the delivery cost of program enrollment. Acres available for an enrollment should be reduced to the level necessary to fund technical assistance needs and compensated for program delivery cost. We are not suggesting a reduction in the statutory cap of 39.2 million acres. CRP has never been fully enrolled and WRP yearly acreages have varied. The programs and their goals would not be sacrificed or jeopardized in any way. In this manner the programs could cover their own costs without incurring additional budget obligations or taxing other programs. We urge Congress and the Administration to work together to resolve this issue. The integrity of the Farm Security and Rural Investment Act of 2002 is critical; resolving this issue in a timely, straightforward way is essential. Farm Bureau supports full funding of the farm bill and opposes any action that upsets the financial balance.

Conservation Program Delivery and Implementation

Farm Bureau was a strong advocate for increased conservation funding and technical assistance in the 2002 farm bill. Conservation has increasingly become a priority for Farm Bureau members. The pressure of local, state and federal environmental regulation has increased significantly during a time when farmers and ranchers are financially stressed. Conservation cost-share and incentives are essential to assist producers in addressing public concerns relating to the environment.

Conservation planners are confronted with overlapping issues of endangered species and wildlife management, wetlands protection, nutrient management, air quality regulation, integrated pest

management, and water quality issues, in addition to soil erosion. We can expect planning challenges to increase as the complexity of environmental regulation grows. President Bush has been a strong advocate of incentive-based solutions. If the farm bill conservation programs are to be successful, adequate technical assistance will be key. USDA must be able to demonstrate that voluntary, incentive-based conservation programs can be successful in addressing environmental issues and serve as an alternative to a more costly and burdensome regulatory approach.

#### Technical Service Providers

One important component of program delivery will be the utilization of technical service providers. Farm Bureau supports the use of third-party technical service providers to ensure conservation program delivery. We recognize the challenges NRCS faces in terms of limited government manpower for program delivery. The situation is compounded by the increasing regulation of agricultural production, which has made conservation planning significantly more complex and time-consuming.

We have some concerns regarding implementation of the technical service provider program:

- The confidentiality of information provided to technical service providers must be protected. Farmers and ranchers are increasingly concerned regarding the utilization of information provided as part of program participation. Outside agencies have attempted to use program information for regulatory and other purposes. The farm bill specifically exempted such information from distribution to other agencies of government and from disclosure under the Freedom of Information Act. This protection must be extended to information made available to third party technical service providers. NRCS must work to assure that third-party contractors are subject to stringent confidentiality requirements. NRCS should explore all means available for accomplishing this goal; including making it a condition of certification and offering standardized contracting language.
- Technical service providers must be bonded and have appropriate liability insurance. Bonding and insurance will be vitally important to producers to assure that they are protected and not held liable for inferior planning and services. We have been made aware that in some states liability insurance may not be available for some practices or is cost-prohibitive. NRCS should review bonding and insurance issues on a state-by-state basis to assess availability. Lack of insurance coverage could create a shortfall for technical service providers and hamper program delivery. NRCS should consider a means for providing liability insurance for service providers.
- Payment rates for technical service providers are to be based on NRCS' cost of service. When calculating cost of service, the rate should be based on actual NRCS cost. The calculation of actual cost must include all costs (insurance/liability, office/administrative, etc.)
- The regulations lay out a complex system through which producers can utilize third-party technical service providers. Errors in timing and contracting procedures could result in producers not being reimbursed for planning costs. It is essential that NRCS produce a plain-English, step-by-step procedure guide for producers planning to utilize technical service providers.

### Environment Quality Incentives Program

The EQIP final rule was released late last month, making it difficult to assess program delivery. We will be working with state Farm Bureaus to monitor implementation. Farm Bureau is a strong supporter of EQIP and the improvements to the program made by the Congress in the farm bill. We encourage the Administration to move forward with implementation of this program.

With regard to implementation, we would like to emphasize the following points:

- We are concerned that there may be attempts by some groups to reestablish animal unit livestock caps. We would object to any attempt to reinstate size caps for determining program eligibility.
- Priority setting will be key to all funding allocations and success of the program. The EQIP program was specifically targeted to assist farmers in complying with regulations, such as, but not limited to, CAFO/AFO and other nonpoint source concerns, reduced ground-water contamination, conservation of ground and surface water, air quality issues and soil erosion. When establishing national and local funding priorities emphasis should be given to assisting farmers and ranchers complying with local, state and federal regulations. State allocations should also be tied to regulatory compliance needs.
- We believe that state incentives in the final rule are inappropriate. The failure of a state conservationist to achieve a goal should not be a burden placed on agricultural producers. The adequacy of the state conservationist should not be reflected in funding or allocations available to a state.
- The regulation states that an authorized NRCS representative has the right to enter a unit or tract for program purposes. The rule provides that the authorized NRCS representative should make a reasonable effort to contact the participant prior to access. Farm Bureau does not believe it is sufficient for the representative to merely make an effort to contact the producer. The authorized NRCS representative must have permission from the producer before accessing the property.

### Conservation Security Program

During the farm bill debate Farm Bureau was a strong supporter for the establishment of a new type of conservation incentive program. We believe that agricultural producers must receive assistance to help defray the cost of ongoing environmental improvement and regulation. The Conservation Security Program (CSP) will assist farmers to achieve environmental goals and reward them for improved environmental performance. We believe CSP must be available to all producers nationwide. We continue to believe that this program is extremely important. The program should be fully funded and should be implemented as a nationwide program. Since no rules have been published for implementing the program, we will focus on issues raised in the Advance Notice of Proposed Rulemaking (ANPR):

- The ANPR appeared to focus on narrowing the scope of the program to target geographic priority areas or identifying areas for focus based on specific resource problems. We believe this approach runs contrary to the intent of the program. The Environmental Quality Incentives Program is specifically targeted toward assisting producers in making infrastructure improvements required to address identified environmental regulations and issues. CSP should be more broadly available to assist with and reward overall environmental improvement, including good stewardship.
- NRCS requested comments on the definition of “entire operation” for Tier 2 and 3 purposes; our recommendation is that “entire operation” be defined as contiguous acres that are part of an agricultural operation. An “entire operation” may include as part of the “entire operation” land rented or leased during the CSP contract period; however no producer should be excluded from program participation if they do not control the rented or leased land for the entire term of the contract. Should CSP contract land change during the contract period, the CSP contracts would be amended to reflect revised acreage and practice changes. Producers would not be subject to penalties or violations related to changes in landholdings.
- NRCS also requested comments on whether multiple contracts could be stacked across separate agricultural operations. We believe contracts could be stacked as long as the acreage is not contiguous. Contracts could also be stacked across Tier types; however no producer would receive a cumulative payment under CSP in excess of \$45,000 per year.

#### Performance measures

During the farm bill debate some members of the committee raised the question of performance measures. Farm Bureau recognizes that performance measurements are necessary to demonstrate the effectiveness of conservation programs such as CSP. However, many environmental improvements cannot be measured directly or immediately. Improvement may take years to be realized. We recommend that NRCS establish a measurement system based on reference sites and environmental models. This information should be used to provide a measurement of program success and accountability.

In conclusion, conservation financial and technical assistance are critical tools for assisting farmers and ranchers in addressing resource needs. Adequate conservation planning will be essential for program delivery. NRCS must work with every segment of agriculture to ensure program success and broad participation. The programs encompassed in the farm bill offer tremendous opportunity for NRCS and agriculture but delivery will be challenging. Those who support American agriculture must work together to ensure success.

While we have focused primarily on technical assistance related to EQIP and CSP, we would be happy to answer questions regarding other conservation programs.

Thank you and we look forward to working with the Chairman and the committee on these issues.